Elbit Systems publishes its Code of Conduct and Business Ethics

As part of our ongoing Ethics compliance program, and consistent with legal requirements applicable to publicly traded companies, we are pleased to publish our updated Code of Conduct and Business Ethics as approved by Elbit Systems' Board of Directors. The Code contains a "whistleblower" process to encourage reports of Code violations. The Code is in addition to our other procedures and policies regarding Business Ethics.

Because of the importance we place on conducting our activities in an ethical manner, our employees, officers and directors are committed to following the Code, our other ethics related procedures and all legal requirements.

ELBIT SYSTEMS LTD.

CODE OF BUSINESS CONDUCT AND ETHICS

Adopted May 2004

1. Introduction

A. *Importance of Ethics.* Conducting our business honestly, ethically and properly is critical to Elbit Systems' continued success and growth. Elbit Systems has long had procedures relating to business ethics in order to help us maintain our good reputation and conduct our business activities in a compliant manner.

B. *The Code.* In furtherance of our commitment to ethical business conduct, Elbit Systems' Board of Directors has approved this Code of Business Conduct and Ethics (the "Code"). It summarizes our policy with respect to ethical business conduct. Compliance with this Code by our directors, officers and employees will help us successfully perform our business activities, maintain our good reputation and create an effective and positive working environment.

C. *Other Company Procedures.* This Code is supplemented by other Elbit Systems procedures relating to ethics and legal compliance issues.

D. *Basic Standards.* This Code sets out the basic standards of ethics and conduct for our directors, officers and employees. These standards, together with other applicable company procedures, are designed to promote honest and ethical conduct, but will not cover all situations. If a law conflicts with our ethics policy, you must comply with the law. On the other hand our ethics policy, as expressed in this Code and supplemented in other procedures, takes precedence in the event of a conflict with a particular local custom or practice.

E. *Violations.* Violations of the standards set out in this Code will be subject to disciplinary action.

F. *Where to Go With Questions.* All employees should be familiar with this Code and other applicable company procedures, which are published on our internal computer network. The Code may also be found on Elbit Systems' website: www.elbitsystems.com. If you have any doubts regarding whether a particular situation might violate our ethics standards, or if you have any other questions regarding ethics issues, you should contact in writing Elbit Systems' Corporate General Counsel or otherwise through our "Whistleblower" process as further described below. The matter will be reviewed and appropriate action will be taken consistent with this Code, other company procedures and applicable law.

2. Scope

You are subject to this Code if you are a director, officer or employee of Elbit Systems Ltd. or any of its wholly owned subsidiaries (collectively referred to as "Elbit Systems"). In addition, this Code applies to your own actions as well as those you may conduct indirectly through relatives, friends or other personal relationships.

3. Honest and Ethical Conduct

Each person subject to this Code has the responsibility to act honestly and ethically in conducting activities on behalf of Elbit Systems. Your responsibility applies to your interaction with our other directors, officers and employees, and to Elbit Systems itself. You are expected to act in good faith and with responsibility, due care, competence and diligence. You should use your independent judgment with respect to questionable behavior and at all times conduct yourself in a manner that meets with our ethical standards.

4. Compliance with Laws, Rules and Regulations

You are required to comply with all applicable laws, governmental rules and regulations. This includes, but is not limited to regulations relating to the conduct of government tenders and procurement integrity. Although you are not expected to know the details of all applicable laws, rules and regulations, we expect you to be familiar with Elbit Systems published policies and procedures and to seek advice from our Legal Department if you have any questions about whether a legal requirement applies to a particular situation or what conduct may be required to comply with any law, rule or regulation.

5. Public Disclosures

Elbit Systems' policy is to provide appropriate disclosure in all reports and documents that we file with, or submit to, the Israel Securities Authority, the U.S. Securities and Exchange Commission and applicable stock exchanges as well as in all other public communications made by Elbit Systems.

6. Insider Trading

Since the shares of Elbit Systems are publicly traded, all persons having "inside information" regarding our activities are subject to applicable laws and regulations against "insider trading". If you have access to material, non-public information concerning Elbit Systems, you are not permitted to use or share that information for stock trading purposes, or for any other purpose except the conduct of our business. All non-public information about Elbit Systems should be considered confidential information. Insider trading, which is the use of material, non-public information for personal financial benefit or to "tip" others who might make an investment decision on the basis of this information, is not only unethical but also illegal. The prohibition on insider trading applies not only to our securities, but also to securities of other companies if you learn of material non-public information about these companies in the course of your duties for Elbit Systems. Violations of this prohibition against "insider trading" may subject you to criminal or civil liability, in addition to disciplinary action by Elbit Systems.

7. Fair Dealing

You should deal fairly with our suppliers, competitors and employees as well as others with whom Elbit Systems does business. You should not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentations or any other unfair-dealing practice.

8. Conflicts of Interest

You should handle ethically any actual or apparent conflict of interest between your personal and business relationships. Conflicts of interest are prohibited as a matter of policy. A "conflict of interest" exists when a person's private interest interferes, or might reasonably be considered to interfere, in any way with the interests of Elbit Systems. A conflict situation arises if you take actions or have interests that interfere with your ability to perform your work for Elbit Systems objectively and effectively. Conflicts of interest also may arise if you, or a member of your family or other person affiliated with you as defined in Section 8.F below, receives an improper personal benefit as a result of your position with Elbit Systems.

If you become aware of any transaction or relationship that reasonably could be expected to give rise to a conflict of interest, you should report it promptly to our General Counsel, Elbit Systems President or as otherwise provided in the Whistleblower process attached to this Code.

The following are examples of standards applying to certain common situations where potential conflicts of interest may arise and should be read in light of Section indirect violations as described in Section 8.F below.

A. *Gifts, Entertainment and Other Personal Benefits.* Personal gifts, entertainment or other benefits may only be offered or accepted by persons doing business with or on behalf of Elbit Systems if done in a reasonable way in the ordinary course of the business relationship. In addition, the frequency and cost of any such gifts, entertainment or personal benefits should be in nominal amounts/value only so as not to affect, or appear to affect, the ability to exercise independent business judgment.

B. *Financial Interests in Other Organizations.* The determination whether any outside investment, financial arrangement or other interest in another organization is improper depends on the facts and circumstances of each case. Your ownership of an interest in another organization may be inappropriate if the other organization has a significant business relationship with, or is a direct competitor of, Elbit Systems. In such case your financial interest would likely be inappropriate if it is of such a size that your ability to exercise independent judgment on behalf of Elbit Systems is or may appear to be compromised. As a general rule, a passive investment would not likely be considered improper if it: (1) is in publicly traded shares; (2) represents less than 1% of the outstanding equity of the organization in question; and (3) represents less than 5% of your net worth. Other interests also may not be improper, depending on the circumstances.

C. *Outside Business Activities.* The determination of whether any outside position an employee may hold is improper will depend on the facts and circumstances of each case. Your involvement in trade associations, professional societies, and charitable and similar organizations normally does not create a conflict of interest. However, if those activities are likely to take substantial time from or otherwise conflict with your responsibilities to Elbit Systems, you should obtain prior approval from your supervisor. For a director, employment or affiliation with an organization with which Elbit Systems does business or competes must be fully disclosed to our Board of Directors and General Counsel and must satisfy any other standards established by applicable law, rules (including rules of any applicable stock exchange) or regulation and any other corporate governance guidelines that Elbit Systems may establish.

D. *Corporate Opportunities.* You are prohibited from exploiting for your personal advantage, opportunities that are discovered through the use of company property, information or position, unless all required approvals are obtained. Similarly, you may not compete with Elbit Systems directly. You owe a duty to advance Elbit Systems legitimate interests whenever the opportunity to do so arises.

E. *Hiring Process.* Hiring decisions should be made solely on business rather than personal considerations. In addition, situations that could be viewed as nepotism, such as the hiring of close family members of directors, officers or employees in particular situations, should be avoided. Hiring persons previously employed by organizations that have a business affiliation with Elbit Systems should be reviewed in advance with the Human Resources and Legal Departments in order to avoid inappropriate or improper situations. Such organizations include independent auditors, other service providers, subcontractors, customers, end users and competitors.

F. *Indirect Violations.* You should not indirectly (such as through a spouse, family member, affiliate, friend, partner, associate or an entity with which you have an active or significant business or financial relationship) have any interest or engage in any activity that would violate this Code if you directly had the interest or engaged in the activity. Any such relationship should be fully disclosed to our General Counsel or President (and in the case of a director to the Board of Directors), in order to determine whether the relationship is inappropriate based upon the standards of this Code.

9. Political Activity

Elbit Systems policy is not to promote specific political affiliations. However, you are free to engage in political activities on your personal time so long as those activities do not interfere with your work for Elbit Systems, and you do not involve or associate Elbit Systems in those activities in any way. Use of company property or resources for political purposes is prohibited.

10. Protection and Proper Use of Company Assets

You should protect and properly use Elbit Systems' company assets and property. Theft, carelessness, and waste have a direct impact on our profitability. All company assets should be used only for legitimate business purposes. Use of our computer networks and other communication channels for personal or inappropriate purposes is prohibited.

11. Confidentiality

The obligation of employees to protect company assets includes our proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks and copyrights, as well as business, marketing, financial, human resources, technical and administrative information that has not been properly released to the public domain. Unauthorized use or distribution of this information violates Elbit Systems policy. It could also be illegal and result in civil or even criminal penalties. Except when disclosure is specifically authorized or legally required you should maintain the confidentiality of all non public information that you obtain in the course of your work activities, whether or not entrusted to you by Elbit Systems or by persons with whom we do business.

12. Code Interpretations and Approvals

If it is not clear to you whether a particular activity or relationship is improper or if an approval is required under this Code or the Ethics Procedure, you should disclose it to our General Counsel or President (and if you are a director to the Board of Directors). A determination will then be made as to whether there is a violation of the Code or whether an approval can be granted. You may be required to agree to conditions before receiving any required approval. Approvals granted to an executive officer or director may be subject to regulatory disclosure and other requirements.

13. Reporting any Illegal or Unethical Behavior

A. *Importance of Reporting.* Reporting of illegal or unethical conduct is an important element in our ability to meet the standards described in this Code. You should promptly report violations of laws, rules, regulations or this Code to our General Counsel, President or to a member of the Audit Committee of our Board of Directors as provided in the Whistleblower process attached hereto. Employees are encouraged to talk to supervisors, managers or other appropriate personnel when in doubt about the best course of action in a particular situation. All reports of violations of this Code will be promptly investigated and, if found to be accurate, acted upon in a timely manner. Employees are expected to cooperate in internal investigations of misconduct.

B. *Reports Relating to Financial Matters or Internal Controls.* If any report of wrongdoing relates to accounting or financial reporting matters, or relates to persons involved in the development or implementation of our system of internal controls, and such report is not provided directly to a member of the Audit Committee of our Board of Directors, a copy of the report will be promptly provided to the Chairman of the Audit Committee, and the Audit Committee may participate in the investigation and resolution of the matter.

C. *Whistleblower Process.* In order to encourage employees to report violations of applicable laws, rules, regulations or this Code, such reports need not be signed and may be sent anonymously. It is our policy not to allow actual or threatened retaliation, harassment or discrimination due to reports of misconduct by others made in good faith by employees. Our Whistleblower process, attached hereto as Annex A, has been approved by the Audit Committee of our Board of Directors. It enables employees to report matters in a discrete manner directly to our General Counsel, or if they so chose to our President or a member of the Audit Committee.

D. *Reports to the Audit Committee.* The General Counsel will provide quarterly reports to the Audit Committee regarding ethics matters and will promptly notify the Audit Committee with respect to any ethics issues relating to financial or internal control matters.

E. *Addresses for Reporting.* Reports or questions relating to this Code may be addressed to our General Counsel, President or members of our Audit Committee in accordance with the addresses set forth in Annex A hereto.

14. The Code is Enforceable by Elbit Systems Only

This Code is for the benefit of Elbit Systems, and no other person or entity is entitled to enforce this Code. This Code does not, and should not be interpreted to, create any private cause of action or remedy in any other person or entity for a violation of the Code. In addition, this Code should not be construed as a contract of employment and does not change any person's employment status.

15. Summary of What You Are Expected To Know and Do

A. *Be Familiar with the Code.* You are expected to be familiar with this Code and other related company procedures.

B. *The Code is Only a General Guideline.* This Code is intended as a statement of basic principles and standards and does not include specific rules that apply to every situation. The Code also should be viewed within the framework of our other policies, practices, instructions and the requirements of the law. In addition, the absence of a specific corporate policy, practice or instruction covering a particular situation does not relieve you of the responsibility for acting ethically under the circumstances.

C. *Checklist of Things to Consider.* In many situations it may be difficult to know the proper course of action. Because this Code does not anticipate every situation that may arise, it is important that you approach a new question or problem in a deliberate fashion:

(1) Determine if you know all the facts and identify exactly what it is that concerns you.

(2) Discuss the problem with a supervisor or, if you are an executive officer or director, with the General Counsel.

(3) Seek help from other resources such as other management personnel.

(4) Seek guidance before taking any action that you believe may be, or may appear to be, unethical or improper.

D. *The Standards to Which You Will be Held.* You are expected to meet the following compliance standards:

(1) You are personally responsible for your own conduct and for complying with all provisions of this Code and for properly reporting known or suspected violations.

(2) If you are a supervisor, manager or officer, you should use your best efforts to ensure that employees understand and comply with this Code.

(3) No one has the authority or right to order, request or even influence you to violate this Code or the law. A request or order from another person will not be an excuse for your violation of this Code.

(4) Any attempt by you to induce a director, officer or employee of Elbit Systems to violate this Code, whether successful or not, is itself a violation of this Code and may be a violation of law.

(5) Any retaliation or threat of retaliation against any director, officer or employee of Elbit Systems for refusing to violate this Code, or for reporting in good faith the violation or suspected violation of this Code, is itself a violation of this Code and our Whistleblower process and may be a violation of law.

E. *Violations will be disciplined.* Violation of any of the standards contained in this Code, or in any other policy, practice or instruction of Elbit Systems, can result in disciplinary actions, including dismissal and civil or criminal action against the violator.

Adopted by Resolution of the Board of Directors

May 10, 2004

ANNEX A

ELBIT SYSTEMS LTD.
CODE OF BUSINESS CONDUCT AND ETHICS

"WHISTLEBLOWER" PROCESS

Adopted May 2004

Introduction

Elbit Systems is adopting this "Whistleblower" process as part of our ongoing efforts to ensure compliance with applicable legal requirements and business ethics policies. The purpose of this process is to encourage employees to report, in a non-threatening and non-retaliatory manner, suspected legal or ethical violations. Elbit Systems' Code of Business Conduct and Ethics (the Code") as approved by our Board of Directors, requires our directors, officers and employees to maintain ethical standards in the course of performing activities relating to Elbit Systems. The Code also requires cooperation in helping to maintain and enforce those standards.

Reporting Concerns or Complaints

Taking action to prevent ethical problems is a critical part of our ethics policy. If you observe any conduct that you suspect may be illegal or in violation of the Code, you should report your concerns. You are encouraged to provide relevant information relating to such suspicions, without regard to the position held by the suspected offender. This includes, among other matters described in the Code, any suspected violations of our standards for financial reporting and internal controls.

You are requested to notify in writing Elbit Systems' Corporate General Counsel, David Block Temin, with any information, complaint or concern regarding suspected legal or ethical violations by:

Telephone: (972)-(04)-8316626

Email: dp18943@elbit.co.il

Mail: Advanced Technology Center, POB 539, Haifa 31053 Israel

If you prefer you may instead notify in writing at the above mailing address either Elbit Systems' President, Joseph Ackerman, or any member of the Audit Committee of Elbit Systems' Board of Directors – Dov Ninveh (Chairman), Avraham Asheri, Yaakov Lifshitz or Natty Sharony. The email address for notification to the Chairman of the Audit Committee is: d.ninveh@federmann-ent.com.

In order to be better able to respond to any information, we would prefer that you identify yourself and give us your telephone number and other contact information when you make your report. However, we will accept anonymous reports if you so choose.

Confidentiality

All notices, reports and information received under this process will be treated in a confidential manner. Every reasonable effort will be made to handle the matter with discretion and to protect the identity of those who make reports as well as those who are being investigated. However, if necessary to conduct a proper review or to comply with legal requirements, our Audit Committee, independent accountants or others may become involved in the review process. Also if it becomes apparent that there has been a violation of law the appropriate authorities will be notified.

Retaliation

Elbit Systems policy is to protect anyone who in good faith:

(1) reports a possible violation of law or the Code,

(2) reports any other concerns regarding questionable practices, or

(3) assists in the investigation of a reported violation.

This is the case whether or not it turns out that the report is mistaken.

Retaliation in any form against someone who takes such actions will not be tolerated. Any act of retaliation should be reported immediately and will be investigated.

Questions

If you have any questions about the Whistleblower process or other issues relating to the Code or Elbit Systems other related policies and procedures please feel free to contact our General Counsel as indicated above.

Adopted by Resolution of the Audit Committee

May 9, 2004